AUTHORITY TO ADJUST RATES - SEWAGE UTILITY

(Historical Test Period)

Filing Requirements Checklist

(Applicable Regulation: 807 KAR 5:071, Section 3 and 807 KAR 5:001, Sections 8 and 10)

Case No. ____________ Applicant Name ______________________ Received Date ________________ Form Circulation Date ______________

Instructions:

1) Each division noted by checkmark ( ) is to complete its review and pass on within two days of receipt.
2) This form is to list only the specific filing deficiencies as identified in the regulations. If additional information is needed, an information request must be issued.
3) Staff member should use initials and list date review is completed.
4) Return to Docket Section following review by all divisions.

Reviewed by following Divisions:		Date	Staff Member
____________	Filings	____________	____________
____________	Financial Analysis	____________	____________
____________	Engineering	____________	____________
____________	Legal	____________	____________

Division Responsible	Law/Regulation	Filing Requirement	Requirement Met Yes	Requirement Met No	Waiver Requested	Approve Waiver? Yes	Approve Waiver? No
Legal	KRS 278.180	30 days' notice of rates to Commission (no effective date means no notice given and this is acceptable)					
	807 KAR 5:071, Section 3 (2)						
Legal	(a)	Copy of valid third-party beneficiary agreement or other evidence of financial integrity.					
Financial Analysis	(b)	A comparative income statement showing test period per books.					
Financial Analysis	(c)	Details of any allocated or prorated expenses.					
Engineering	(d)	Detailed depreciation schedule of all treatment plant properties					

Division Responsible	Law/Regulation	Filing Requirement	Requirement Met Yes	Requirement Met No	Waiver Requested	Approve Waiver? Yes	Approve Waiver? No
		and facilities listing all major components of "package" treatment plants separately.					
Engineering & Financial Analysis	(e)	Copies of all service contracts entered into by the utility for outside services, such as but not limited to: operation and maintenance, sludge hauling, billing, collection, repairs, etc., in order to justify current contract services and charges or proposed changes in said contracts.					
Engineering & Financial Analysis	(f)	A description of the applicant's property and facilities, including a statement of the net original cost (estimate if not known), the cost thereof to the applicant, and a current breakdown of contributed and non-contributed property and facilities owned by the applicant ("contributed property" means property paid for by others).					
Financial Analysis	(g)	A detailed customer listing showing number of customers in each customer class and average water consumption for each class of customers.					
Financial Analysis	(h)	If the utility has billing and collection services provided by the Louisville Water Company, remittance advices from the Louisville Water Company showing revenues and collection charges should be submitted for the test period.					
Financial Analysis	(i)	A copy of the latest tax returns (federal and state, if applicable) filed by the applicant.					
Legal & Financial Analysis	(j)	A full and complete explanation of corporate or business relationships between the applicant and a parent or brother-sister corporation, subsidiary(ies), a development corporation(s), or any other party or business, to afford the commission a full and complete understanding of the situation.					
	807 KAR 5:001:						
Filings	Section 8(1)	Full name and post office address of applicant and a reference to the particular provision of law requiring Commission approval.					
Filings	Section 8(2)	The original and 10 copies of the application with an additional copy for any party named therein as an interested party.					

Division Responsible	Law/Regulation	Filing Requirement	Requirement Met Yes	Requirement Met No	Waiver Requested	Approve Waiver? Yes	Approve Waiver? No
Legal	Section 10(1)(b)(1)	A statement of the reason the adjustment is required.					
Legal	Section 10(1)(b)(2)	A statement that the utility's annual reports, including the annual report for the most recent calendar year, are on file with the commission in accordance with 807 KAR 5:006, Section 3(1)					
	Section 10(1) (b)(3) and (5)	If the utility is incorporated, a certified copy of the utility's articles of incorporation and all amendments thereto or out of state documents of similar import. If the utility's articles of incorporation and amendments have already been filed with the Commission in a prior proceeding, the application may state this fact making reference to the style and case number of the prior proceeding <u>and</u> a certificate of good standing or certificate of authorization dated within sixty (60) days of the date the application is filed.					
Legal	Section 10(1)(b)(4) and (5)	If applicant is a limited partnership, a certified copy of the limited partnership agreement <u>or</u> if the agreement was filed with the PSC in a prior proceeding, a reference to the style and case number of the prior proceeding <u>and</u> a certificate of good standing or certificate of authorization dated within sixty (60) days of the date the application is filed.					
Legal	Section 10(1)(b)(6)	A certified copy of a certificate of assumed name as required by KRS 365.015 or a statement that such a certificate is not necessary.					
Financial Analysis	Section 10(1)(b)(7)	The proposed tariff in 807 KAR 5:011 with an effective date not less than thirty (30) days from the date the application is filed.					
Financial Analysis	Section 10(1)(b)(8)	Proposed tariff changes shown either by providing present and proposed tariffs in comparative form or indicating additions by italized inserts or underscoring and striking over deletions in a copy of the current tariff.					
Legal	Section 10(1)(b)(9)	A statement that customer notice has been given in compliance with subsections (3) and (4) of 807 KAR 5:001, Section 10 with a copy of the notice.					
Legal	Section 10(2)	Utilities with gross annual revenues greater than $1,000,000					

Division Responsible	Law/Regulation	Filing Requirement	Requirement Met: Yes	Requirement Met: No	Waiver Requested	Approve Waiver?: Yes	Approve Waiver?: No
		shall file a written notice of intent at least four (4) weeks prior to filing their application. The notice of intent shall state whether the application will be supported by a historical test period or a fully forecasted test period.					

FOR UTILITIES USING A HISTORICAL TEST PERIOD THE FOLLOWING INFORMATION MUST BE FILED UNLESS THE UTILITY SUBMITS A STATEMENT WHY THE REQUIRED INFORMATION DOES NOT EXIST AND IS NOT APPLICABLE TO THE UTILITY'S APPLICATION:

Division Responsible	Law/Regulation	Filing Requirement	Requirement Met: Yes	Requirement Met: No	Waiver Requested	Approve Waiver?: Yes	Approve Waiver?: No
Financial Analysis	Section 10(6)(a)	A complete description and quantified explanation for all proposed adjustments with proper support for any proposed changes in price or activity levels, and any other factors which may affect the adjustment.					
Financial Analysis	Section 10(6)(b) & (c)	If the utility has gross annual revenues greater than $1,000,000, the prepared testimony of each witness the utility proposes to use to support its application. If the utility has gross annual revenues less than $1,000,000, the prepared testimony of each witness the utility proposes to use to support its application or a statement that the utility does not plan to submit any prepared testimony.					
Financial Analysis	Section 10(6)(d)	A statement estimating the effect that the new rate(s) will have upon the revenues of the utility including, at minimum, the total amount of revenues resulting from the increase or decrease and the percentage of the increase or decrease.					
Financial Analysis	Section 10(6)(e)	If the utility provides electric, gas, water or sewer service the effect upon the average bill for each customer classification to which the proposed rate change will apply.					
Financial Analysis	Section 10(6)(g)	An analysis of customers' bills in such detail that revenues from the present and proposed rates can be readily determined for each customer class.					
Financial Analysis	Section 10(6)(h)	A summary of the utility's determination of its revenue requirements based on return on net investment rate base, return on capitalization, interest coverage, debt service coverage, or operating ratio, with supporting schedules.					
Financial Analysis	Section 10(6)(i)	A reconciliation of the rate base and capital used to determine its revenue requirements.					

Division Responsible	Law/Regulation	Filing Requirement	Requirement Met Yes	Requirement Met No	Waiver Requested	Approve Waiver? Yes	Approve Waiver? No
Financial Analysis	Section 10(6)(j)	A current chart of accounts if more detailed than the Uniform System of Accounts prescribed by the commission.					
Financial Analysis	Section 10(6)(k)	The independent auditor's annual opinion report, with any written communication from the independent auditor to the utility which indicates the existence of a material weakness in the utility's internal controls.					
Engineering	Section 10(6)(n)	A summary of the utility's latest depreciation study with schedules by major plant accounts, except that telecommunications utilities that have adopted the commission's average depreciation rates shall provide a schedule that identifies the current and test period depreciation rates used by major information has been filed in another commission case a reference to that case's number and style will be sufficient.					
Financial Analysis	Section 10(6)(o)	A list of all commercially available or in-house developed computer software, programs, and models used in the development of the schedules and work papers associated with the filing of the utility's application. This list shall include each software, program, or model; what the software, program, or model was used for; identify the supplier of each software, program, or model; a brief description of the software, program, or model; the specifications for the computer hardware and the operating system required to run the program.					
Financial Analysis	Section 10(6)(p)	Prospectuses of the most recent stock or bond offerings.					
Financial Analysis	Section 10(6)(q)	Annual report to holders, or members, and statistical supplements covering the two (2) most recent years from the utility's application filing date.					
Financial Analysis	Section 10(6)(r)	The monthly managerial reports providing financial results of operations for the twelve (12) months in the test period.					
Financial Analysis	Section 10(6)(s)	Securities and Exchange Commission's annual report for the most recent two (2) years, Form 10-Ks and any Form 8-Ks issued within the past two (2) years, and Form 10-Qs issued during the past six (6) quarters updated as current information becomes available.					

Division Responsible	Law/Regulation	Filing Requirement	Requirement Met Yes	Requirement Met No	Waiver Requested	Approve Waiver? Yes	Approve Waiver? No
Financial Analysis	Section 10(6)(t)	If the utility had any amounts charged or allocated to it by an affiliate or general or home office or paid any monies to an affiliate or general or home office during the test period or during the previous three (3) calendar years, the utility shall file:					
		1. A detailed description of the method and amounts allocated or charged to the utility by the affiliate or general or home office for each charge allocation or payment;					
		2. An explanation of how the allocator for the test period was determined; and					
		3. All facts relied upon, including other regulatory approval, to demonstrate that each amount charged, allocated or paid during the test period was reasonable;					

UTILITIES USING HISTORIC PERIODS WITH PRO FORMA ADJUSTMENTS FOR KNOWN AND MEASURABLE CHANGES SHALL FILE THE FOLLOWING INFORMATION OR A STATEMENT EXPLAINING WHY THE REQUIRED INFORMATION DOES NOT EXIST AND IS NOT APPLICABLE TO THE UTILITY'S APPLICATION:

Division Responsible	Law/Regulation	Filing Requirement	Requirement Met Yes	Requirement Met No	Waiver Requested	Approve Waiver? Yes	Approve Waiver? No
Financial Analysis	Section 10(7)(a)	A detailed income statement and balance sheet reflecting the impact of all proposed adjustments.					
Financial Analysis	Section 10(7)(b)	The most recent capital construction budget containing at least the period of time as proposed for any pro forma adjustment for plant additions.					
Engineering	Section 10(7)(c)	For each proposed pro forma adjustment reflecting plant additions the following information:					
		1. The starting date of the construction of each major component of plant;					
		2. The proposed in-service date;					
		3. The total estimated cost of construction at completion;					
Financial Analysis		4. The amount contained in construction work in progress at the end of the test period;					

Division Responsible	Law/Regulation	Filing Requirement	Requirement Met Yes	Requirement Met No	Waiver Requested	Approve Waiver? Yes	Approve Waiver? No
Engineering		5. A schedule containing a complete description of actual plant retirements and anticipated plant retirements related to the pro forma plant additions including the actual or anticipated date of retirement;					
Engineering		6. The original cost, cost of removal and salvage for each component of plant to be retired during the period of the proposed pro forma adjustment for plant additions;					
Engineering		7. An explanation of any differences in the amounts contained in the capital construction budget and the amounts of capital construction cost contained in the pro forma adjustment period; and					
Engineering		8. The impact on depreciation expense of all proposed pro forma adjustments for plant additions and retirements;					
Financial Analysis	Section 10(7)(d)	The operating budget for each month of the period encompassing the pro forma adjustments;					
Financial Analysis	Section 10(7)(d)	The number of customers to be added to the test period - end level of customers and the related revenue requirements mpact for all pro forma adjustments with complete details and supporting work papers.					
Financial Analysis	Section 10(7)(e)	The number of customers to be added to the test period - end level of customers and the related revenue requirements impact for all pro forma adjustments with complete details and supporting work papers.					

THE FOLLOWING INFORMATION SHOULD BE INCLUDED IN THE PUBLIC NOTICE: (NOTE: The commission may grant a utility with annual gross revenues greater than $1,000,000, upon written request, permission to use an abbreviated form of published notice of the proposed rates provided the notice includes a coupon which may be used to obtain all of the information required herein.)

Division Responsible	Law/Regulation	Filing Requirement	Requirement Met Yes	Requirement Met No	Waiver Requested	Approve Waiver? Yes	Approve Waiver? No
Financial Analysis	Section 10(3)(a)	The amount of the change requested in both dollar amounts and percentage change for each customer classification to which the proposed rate change will apply.					
Financial Analysis	Section 10(3)(b)	The present Financial the proposed rates for each customer class to which the proposed rates would apply.					

Division Responsible	Law/Regulation	Filing Requirement	Requirement Met Yes	Requirement Met No	Waiver Requested	Approve Waiver? Yes	Approve Waiver? No
Financial Analysis	Section 10(3)(c)	Electric, gas, water and sewer utilities shall include the effect upon the average bill for each customer class to which the proposed rate change will apply.					
Financial Analysis	Section 10(3)(c)	Local exchange companies shall include the effect upon the average bill for each customer class for the proposed rate change in basic local service.					
Financial Analysis	Section 10(3)(d)	Local exchange companies shall include the effect upon the average bill for each customer class for the proposed rate change in basic local service.					
Legal	Section 10(4)	If copy of public notice is included, did it meet other requirements?*					

* If applicant has 20 customers or less, or is a sewer utility, written notice of proposed rate changes and estimated amount of increase per customer class shall be mailed to each customer no later than date of application.

For applicants with more than 20 customers, notice of proposed rates and estimated amount of increase per customer class shall be: (1) included with customer billings before application is filed or (2) published in a trade publication or newsletter going to all customers before applications is filed or (3) published once a week for 3 consecutive weeks in a prominent manner in a newspaper of general circulation in its service area, first publication to be made within seven (7) days of the filing of the application.

If the notice is published, an affidavit from the publisher verifying the notice was published, including the dates of the publication with an attached copy of the published notice, shall be filed with the commission no later than forty-five (45) days of the filed date of the application.

If the notice is mailed, a written statement signed by the utility's chief officer in charge of Kentucky operations verifying the notice was mailed shall be filed with the commission no later than thirty (30) days of the filed date of the application.

All utilities, in addition to the above notification, shall post a sample copy of the required notification at their place of business no later than the date on which the application is filed which shall remain posted until the commission has finally determined the utility's rates.

Each notice shall contain the following language:

> "The rates contained in this notice are the rates proposed by __________. However, the Public Service Commission may order rates to be charged that differ from these proposed rates. Such action may result in rates for customers other than the rates included in this notice.
>
> "Any corporation, association, body politic or person my request leave to intervene by motion within 30 days after notice of the proposed rate changes is given. The motion shall be submitted to the Public Service Commission, 211 Sower Boulevard, P. O. Box 615, Frankfort, Kentucky

40602, and shall set forth the grounds for the request including the status and interest of the party. Intervenors may obtain copies of the application and testimony by contacting _____________ at _______________. A copy of the application and testimony shall be available for public inspection at the utility's offices."